



- Advertisement -

Banana prices ripe for increase

By

Craig Levitt, managing editor

November 16, 2021

For years, consumers have shopped the produce aisle enjoying the relatively low cost of bananas — but that may be about to change. In response to unprecedented market conditions and inflationary pressures being felt across all industries, leading banana provider Fresh Del Monte has raised prices on its bananas.

“Despite our efforts to mitigate these increasing costs within our supply chain, they are simply too great to absorb. The unparalleled costs have been persistent and show no signs of regulating,” said Mohammad Abu-Ghazaleh, Fresh Del Monte chairman and CEO. “After thoughtful consideration, it is necessary to implement inflation-justified price increases in an effort to maintain our continuous supply and service levels. We understand that these pressures are not unique to our business and therefore are working collaboratively to mitigate these pressures — within our supply chain and with our business partner relationships.”

Will that force retailers to increase banana prices? It is certainly a possibility, maybe even likely, but not all retailers are created equal. Take Harps Food Stores for example. Most of its stores are located in areas in which they compete with giant discounter Walmart.

“We are not able to increase our retail on bananas at this time,” said Mike Roberts, director of produce operations at Harps. “We are just having to mix the cost increase into our overall cost of goods to keep margins intact for the overall department.”

For retailers that don't feel the pressure of a Walmart, price increases may be the way to keep existing margins. It is something that should be monitored in the coming weeks and months.

[Print](#)